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"Arizona's water and
wastewater funding source"



Jay R. Spector
WIFA Executive Director

ARIZONA NOT RECEIVING FAIR SHARE: THE CLEAN WATER STATE REVOLVING FUND DISPARITY AND WIFA

I recently announced my opposition to S. 2550, the Water Infrastructure Financing Act of 2004. U.S. Senate Bill S. 2550 would change the current allocation formula for the Clean Water State Revolving Fund (CWSRF); however, the proposed formula would continue the funding allocation disparity.

wastewater infrastructure needs.

The current CWSRF formula and the proposed formula in S. 2550 do not recognize a state's wastewater infrastructure needs. The current formula is based in statute and was created in 1974.

The proposed formula addresses the states most in need of funding when the appropriation level for the CWSRF reaches \$3.15 billion. When this level is reached, the current allocation for the CWSRF shifts to a needs-based allocation percentage which is derived from a needs survey. This proposed formula at best ties consideration of need to future appropriation levels for the entire fund which has never been reached in the past. Historically, the CWSRF has been funded at \$1.35 billion per year.

In the proposed legislation, if the total appropriations for CWSRF do not reach \$3.15 billion, the "transition formula" applies. The "transition formula" protects states smaller in population, which under this formula receive funding first. States larger in population would maintain the current allocation despite lack of need.

States that are "minimum" states in S. 2550 move in funding from .5 percent to one percent of the appropriation.

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The Clean Water State Revolving Fund Disparity and WIFA continued from Page 1

Under the "transition formula," Arizona would receive approximately \$10 million per year at the current funding level, while the minimum states would receive \$13.5 million (Arizona is not considered a minimum state for allocations purposes).

I maintain that the CWSRF allocation should be based on the Environmental Protection Agency's Clean Water Needs Survey (CWNS). The survey, conducted every four years in all 50 states, quantifies the anticipated needs in a state for the next 20 years. The 2002 CWNS indicated Arizona has over \$6.3 billion in clean water needs.

As the nation's second-fastest growing state, there is a tremendous stress on our infrastructure. The proposed formula and current formula for CWSRF allocation forces Arizona to subsidize the infrastructure of other states while still trying to address the needs within our own. Arizona deserves to receive our "fair share" of funding for wastewater infrastructure.

To learn more about the disparity in the Clean Water State Revolving Fund appropriations to Arizona or to obtain a copy of WIFA's "Clean Water State Revolving Fund Allocation Disparity" report, please visit WIFA's Web site (www.azwifa.gov).

The Quarter Ahead

Date	Event	Date	Event
November 2	Election Day	December 8	WIFA Board Meeting -Board approval of <i>final</i> IUP and PLs - WIFA Office
November 4	Distribution and Web posting of draft CWRP and DWRF IUP and PLs	December 24	Christmas observed
November 7-9	2004 Council of Infrastructure Financing Authorities State Revolving Fund Conference	December 30	WIFA Annual Report distributed and posted to Web site
November 11	Veterans Day observed	January 1	Effective date for funding cycle 2005 CWRP and DWRF final IUP and PLs
November 16	Public hearing on draft CWRP and DWRF IUP and PLs , 10 a.m.-noon, Room 250, ADEQ Building, 1110 W. Washington, Phoenix	January 1	New Year's Day observed
November 23	Deadline for submission of public comments on IUP and PLs	January 3	Distribution and Web posting of final CWRP and DWRF IUP and PLs
November 25	Thanksgiving Day observed	January 10	Forty-seventh Legislature convenes
		January 17	Martin Luther King, Jr. Holiday observed

Loans Closed

Recent loan closings include:

CWRP Loans

Town of Taylor - \$156,333

DWRF Loans

Mt. Lemmon Domestic

Water Improvement District -
\$1,050,000

City of Yuma - \$36,414,920

Technical Assistance Grants

Recent TA grants include:

Graham County Utilities - \$35,000

Bullhead City - \$35,000

Kingman - \$12,500



San Luis Mayor Guillermina Fuentes and San Luis City Employees listen as WIFA Executive Director Jay Spector explains the financial assistance process at a workshop held at the San Luis Firehouse in September.

PROJECTS OF THE YEAR AWARDS FOR FUNDING CYCLE 2003

The WIFA Project of the Year awards are given to outstanding WIFA-funded projects as demonstrated by their performance in resolving water quality issues, securing public support and cooperative funding efforts. The WIFA Project of the Year awards are selected annually by the WIFA Board of Directors.

In the WIFA Summer 2004 Newsletter, we featured the “Best Partnership or Public Support Project,” which was given to the Mt. Lemmon Domestic Water Improvement District, and the “Best Design or Planning Effort,” which was awarded to Brown & Caldwell for the City of Bisbee. Please view the final three WIFA Projects of the Year awards for funding cycle 2003:

Best Financial Assistance Project - White Mountain Apache Housing Authority

WIFA Chairman and ADEQ Director Steve Owens presented White Mountain Apache Tribal Chairman Dallas Massey, Sr. and the White Mountain Apache Housing Authority with the WIFA Project of the Year award during the White Mountain Apache Tribal Council meeting on Oct. 6.

The “Best Financial Assistance Project” award was given to the WMAHA for their efforts to secure \$5 million in WIFA infrastructure loans to support the construction of a new housing development at Apache Dawn and other areas of the White Mountain Apache Indian Reservation.



WIFA Chairman and ADEQ Director Steve Owens and WIFA Executive Director Jay Spector present White Mountain Apache Tribal Chairman Dallas Massey with the WIFA Project of the Year Award for the “Best Financial Assistance Project.”

The loans included \$3 million for drinking water improvements and \$2 million for wastewater improvements.

“The significance of these loans to both the White Mountain Apache Tribe and to Indian Country cannot be overstated,” Owens said. “These were the first revolving fund loans to a tribe in the United States, and this project demonstrates the Napolitano Administration’s commitment to our tribal partners.”

The WIFA loans provided in March 2003 to the WMAHA were part of the \$25 million WMAHA Apache Dawn housing project. The housing project was constructed to reduce the residential housing shortage on the White Mountain Apache Reservation.

Best Technical Assistance Project - Carter & Burgess for City of Holbrook

On Oct. 6, WIFA Chairman and ADEQ Director Steve Owens presented City of Holbrook Mayor Bryan Smithson and Carter & Burgess Engineer Jason Bethke with the WIFA Project of the Year award at Holbrook City Hall.

The “Best Technical Assistance Project” award was given to Smithson and Bethke for their work to secure and utilize the \$17,500 technical assistance grant from WIFA to benefit Holbrook wastewater infrastructure.

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Projects of the Year Awards for Funding Cycle 2003 continued from Page 3

"The City of Holbrook is on the right path to addressing its wastewater infrastructure due to the efforts of Mayor Smithson and Carter & Burgess's Bethke," said Owens. "We have been pleased to work with Holbrook on this project."

The grant was used for the study and design of new sewer infrastructure to serve the Holbrook Hill area. Bethke lead the design team for Carter & Burgess.



Mayor Bryan Smithson and Carter & Burgess Engineer Jason Bethke are presented with the WIFA Project of the Year Award for "Best Technical Assistance Project." From left to right, WIFA Executive Director Jay Spector, Bethke, WIFA Chairman Steve Owens, Mayor Smithson, Councilwoman Mary Bradley, and Councilmen Jeff Font and Vince Budenholzer.

Best Project Leadership by an Individual - Cliff O'Neill, City of Somerton



WIFA Executive Director Jay Spector presents Somerton City Manager Cliff O'Neill with the WIFA Project of the Year Award for the "Best Project Leadership by an Individual."

WIFA Executive Director Jay Spector presented Somerton City Manager Cliff O'Neill with the WIFA Project of the Year award during the Somerton City Council meeting on Tuesday, Sept. 21.

O'Neill received the "Best Project Leadership by an Individual" award for his efforts on the upgrade and expansion of Somerton's wastewater facility. His work helped to secure debt authority through a ballot measure in May 2001, coordinate other funding sources for the project and facilitate design of the plant expansion.

"The Somerton wastewater treatment facility is on right path to success due to the leadership of City Manager O'Neill," said Spector. "The efforts of City Manager O'Neill will help resolve the long-standing water quality, wastewater capacity and odor control issues that Somerton had with the wastewater facility."

WIFA provided \$4.4 million Clean Water Revolving Fund loan to Somerton, nearly half of the total funding needed for the plant expansion.

Governor Napolitano Signs SB 1062 into Law- Reauthorizes WIFA for 10 Years

Governor Janet Napolitano on Aug. 20 ceremoniously signed SB 1062 into law, reauthorizing the Water Infrastructure Finance Authority of Arizona for 10 years until July 1, 2014.

“The Water Infrastructure Finance Authority of Arizona plays an important role in protecting Arizona’s precious water resources and helping communities develop the water infrastructure they need to grow and prosper,” Governor Napolitano said.

The Water Infrastructure Finance Authority of Arizona received unanimous support by the Arizona Legislature with passage of SB 1062.

The bill was sponsored by Senator Carolyn Allen. Several cities, towns, counties and related groups voiced their support of the bill at the public hearing.



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WIFA Update

New Staff

Jon Bernreuter joined WFA in July as the Environmental Program Specialist for loans and grants. Jon earned his bachelor’s degree from the University of Arizona in 1993, and an M.S. in Earth Resources Engineering from Columbia University’s Henry Krumb School of Mines in 2000. Since moving back to Arizona in 2000 he has been teaching high school science and mathematics.

Antonio Sotelo joined WIFA as a Financial Analyst, replacing Christ Ingram. He was previously employed by the General Accounting Office and worked as an accounting liaison to resolve AFIS inquiries. Antonio earned his bachelor’s degree from the University of Arizona in accounting.

Promotions

Chris Inghram joins WIFA’s Financial Services staff filling a new position as Loan Officer/Credit Analyst. Chris previously worked in WIFA’s Fiscal Department managing clean and drinking water loan funds, the Guaranteed Investment Contract portfolio, and assisting the controller with other accounting and audit issues. Chris will now be assisting Chief Financial Officer Adam Williams in the underwriting and loan origination process, and loan portfolio forecasting. Chris earned his bachelor’s degree in finance from the University of Arizona in 2002.